

Message Text

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PAGE 01 COLOMB 01244 071004Z

ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15 STR-04
ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00
OMB-01 IO-13 AF-08 ARA-10 EA-09 EUR-12 /145 W
-----071840Z 098725 /46

R 070850Z APR 77

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 7086

UNCLAS COLOMBO 1244

E.O. 11652: N/A

TAGS: ETRD, CE

SUBJ: GSP: FIRST YEAR REVIEW

REF: STATE 067507

1. ON APRIL 7, EMBOFF DISCUSSED SIR LANKA'S EXPERIENCE WITH US GSP WITH J.R. SAMARANAYAKE, DIRECTOR OF DEPARTMENT OF COMMERCE. SAMARANAYAKE SAID FIRST YEAR OF GSP OPERATION WAS SATISFACTORY FROM GSL POINT OF VIEW BUT HE DID NOT HAVE ANY DATA ON SRI LANKA EXPORTS TO US UNDER GSP. EMBOFF GAVE HIM COPY OF US STATISTICS AND SAMARANAYAKE WAS AMAZED TO DISCOVER THAT ABOUT HALF OF \$3.2 MILLION IN US IMPORTS FROM SRI LANKA ELIGIBLE FOR GSP DID NOT RECEIVE DUTY-FREE TREATMENT. AS GEMS AND GRAPHITE MAJOR ELIGIBLE EXPORTS NOT RECEIVING GSP BENEFITS, SAMARANAYAKE SAID HE WOULD MAKE SURE EXPORTERS OF THESE PRODUCTS WERE FULLY INFORMED ON GSP BENEFITS AND PROCEDURES.

2. SAMARANAYAKE WAS NOT AWARE OF ANY NEW INVESTMENT UNDERTAKEN TO BENEFIT FROM GSP BUT THOUGHT ONE YEAR WAS TOO SHORT A TIME FOR INVESTORS TO REACT. AS SRI LANKA EXPORTERS GAIN EXPERIENCE WITH GSP, HOWEVER, SAMARANAYAKE EXPECTED THERE
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PAGE 02 COLOMB 01244 071004Z

WOULD BE SOME ADDITIONAL INVESTMENT.

3. IN COMMENTING ON OTHER COUNTRIES' PREFERENCE SCHEMES, SAMARANAYAKE SAID OLD UK SYSTEM WAS BEST. BUT UK ARRANGEMENT HAS BEEN INCORPORATED IN EC SYSTEM WHICH HE THOUGHT WAS ON A PAR WITH US GSP. SAMARANAYAKE SAID PROBLEM WITH ALL GSP ARRANGEMENTS IN THAT SENSITIVE PRODUCTS SUCH AS TEXTILES

AND SHOES EXCLUDED, AND THESE ARE MANUFACTURED EXPORTS IN
WHICH DEVELOPING COUNTRIES HAVE MOST COMPARATIVE ADVANTAGE.
HE UNDERSTOOD, HOWEVER, PROBLEMS DEVELOPED COUNTRIES HAVE
PROTECTING THESE INDUSTRIES.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ANNUAL REPORTS, GENERALIZED PREFERENCES (TARIFFS)
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977COLOMB01244
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Film Number: D770121-1091
Format: TEL
From: COLOMBO
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770479/aaaacqpn.tel
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SAS ID: 2871782
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Subject: GSP: FIRST YEAR REVIEW
TAGS: ETRD, CE
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Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e3cec9a8-c288-dd11-92da-001cc4696bcc
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